

Santa Clara County Economic Forecast

Santa Clara County is the epicenter of the new technology economy in the U. S. Between 1994 and 2000, the County created a total of 230,000 non-farm jobs, a 29 percent increase.

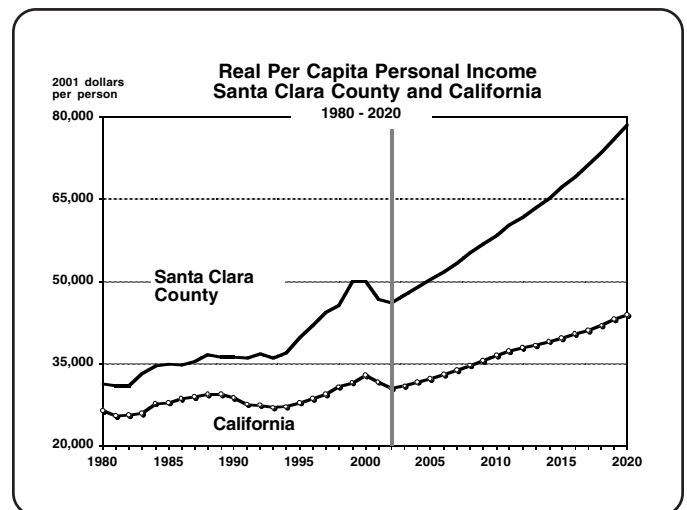
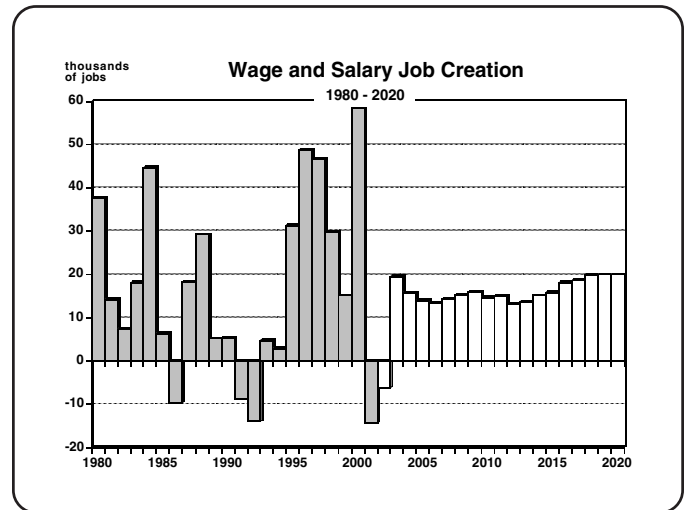
However, with the nation-wide technology bust in 2000, the County has weakened. In 2001, employment growth turned negative, the first time since 1992, and the unemployment rate soared to 7.5 percent in January of 2002. This was the highest rate of unemployment since July of 1993.

During the economic slowdown of 2001, Santa Clara County was arguably the weakest County in California. The region lost more jobs and income than any other County in the state.

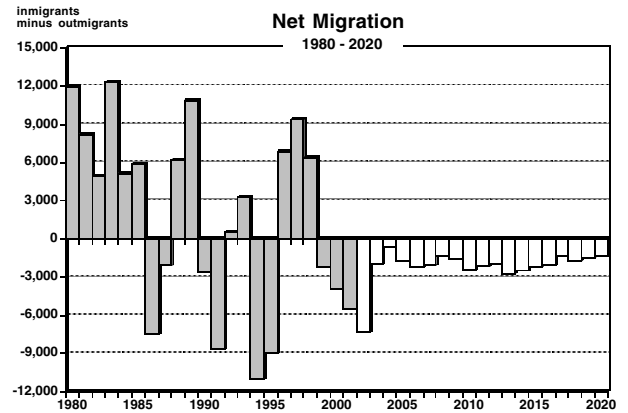
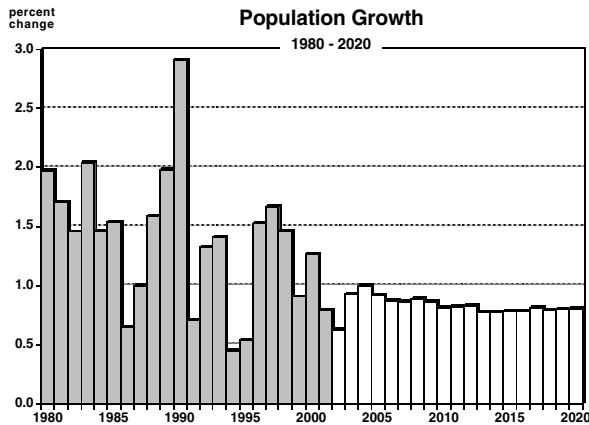
The worst appears to be over however, regarding the labor markets in Santa Clara County as (1) the national and state economies strengthen this year, and (2) the domestic and world-wide demand for semi-conductors, computers, communications devices, and electrical equipment and apparatus rises, especially in the second half of 2002.

Forecast Highlights

- Job growth remains depressed for most of 2002, turning positive in 2003 and remaining stable over the next several years.
- The unemployment rate rises to 5 percent for the year, but declines in subsequent years.
- The services sector remains the growth engine of jobs in Santa Clara County. However, technology services do not grow at the unsustainable rates observed in the latter 1990s. Employment growth in services averages 2.5 percent per year over the next 5 years, compared to 6.7 percent growth between 1995 and 2000.
- Population growth slows, due principally to the lack of housing and the unaffordability of housing in the region. Compound annual growth in the 2002 to 2007 period falls to 0.92 percent per year, from 1.37 percent between 1995 and 2000. The population growth slowdown is principally led by out-migration of population to regions with more affordable housing, such as Stanislaus and San Joaquin Counties



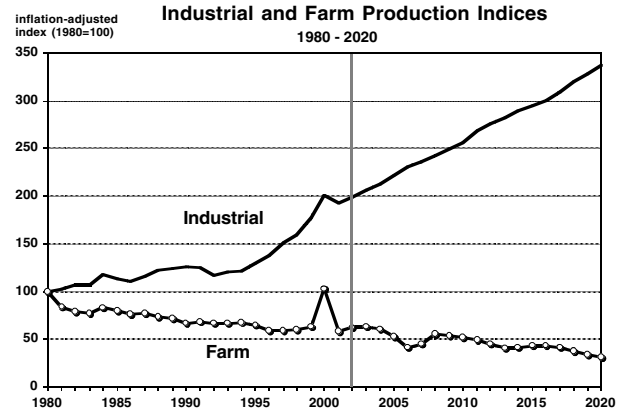
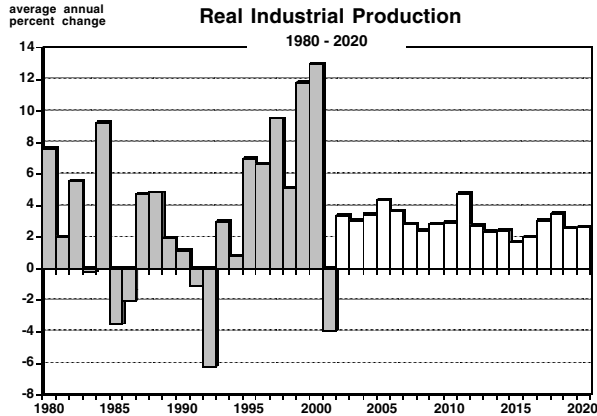
- Real per capita income dropped sharply in 2001. This trend will reverse in 2003 and rise at an annual compound rate of growth of 2.97 percent over the next 5 years. Between 1995 and 2000, real per capita personal income increased an average of 4.73 percent per year.
- The median home price rises an average of 2.1 percent per year, adjusted for inflation. This is a sharp decline from the unsustainable 11.4 percent average real appreciation per year between 1995 and 2000.



Santa Clara County Economic Forecast

1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	1,597,400	-9,025	1,308,750	538.1	3,484	\$12.2	\$50.6	\$39,743	\$160	\$22.0
1996	1,621,800	6,831	1,347,920	541.4	7,501	\$13.3	\$55.6	\$42,046	\$148	\$23.5
1997	1,648,800	9,361	1,304,703	544.4	8,810	\$14.4	\$61.6	\$44,296	\$153	\$25.7
1998	1,673,000	6,402	1,386,648	551.5	7,526	\$15.0	\$66.3	\$45,503	\$160	\$27.0
1999	1,688,100	-2,245	1,402,003	559.2	7,010	\$16.8	\$76.9	\$50,118	\$176	\$30.2
2000	1,709,500	-4,000	1,454,028	564.7	7,054	\$19.8	\$81.3	\$50,085	\$301	\$34.2
2001	1,723,036	-5,500	1,464,400	570.5	5,825	\$19.5	\$80.5	\$46,723	\$177	\$32.8
2002	1,733,791	-7,335	1,467,296	574.1	5,241	\$20.3	\$83.6	\$46,159	\$200	\$33.9
2003	1,749,874	-1,987	1,470,179	578.2	5,058	\$22.0	\$89.7	\$47,442	\$211	\$35.0
2004	1,767,349	-610	1,479,391	582.5	5,199	\$23.7	\$96.5	\$48,836	\$209	\$36.2
2005	1,783,569	-1,786	1,483,754	587.1	5,392	\$25.4	\$103.8	\$50,307	\$188	\$37.8
2006	1,799,116	-2,249	1,489,314	591.8	5,450	\$27.2	\$111.6	\$51,769	\$152	\$39.1
2007	1,814,660	-2,061	1,491,268	596.8	5,552	\$29.0	\$120.2	\$53,439	\$172	\$40.2
2008	1,830,734	-1,373	1,491,800	601.9	5,696	\$31.0	\$129.6	\$55,196	\$220	\$41.2
2009	1,846,516	-1,645	1,494,207	607.1	5,794	\$33.1	\$139.2	\$56,813	\$219	\$42.4
2010	1,861,541	-2,434	1,496,806	612.4	5,887	\$35.2	\$149.7	\$58,455	\$220	\$43.6
2011	1,876,809	-2,189	1,499,706	617.9	5,940	\$37.4	\$161.2	\$60,139	\$218	\$45.7
2012	1,892,282	-1,978	1,503,203	623.4	5,998	\$39.4	\$173.2	\$61,726	\$206	\$46.9
2013	1,906,965	-2,724	1,507,837	629.1	6,031	\$41.4	\$186.2	\$63,338	\$194	\$48.0
2014	1,921,796	-2,509	1,509,645	634.8	6,050	\$43.5	\$200.4	\$65,164	\$206	\$49.2
2015	1,936,865	-2,221	1,510,920	640.6	6,133	\$45.7	\$215.9	\$67,102	\$220	\$50.0
2016	1,952,033	-2,082	1,513,926	646.4	6,210	\$48.0	\$233.0	\$69,152	\$230	\$51.1
2017	1,967,930	-1,374	1,514,228	652.3	6,269	\$50.5	\$251.5	\$71,165	\$229	\$52.6
2018	1,983,478	-1,773	1,515,551	658.3	6,341	\$52.9	\$272.1	\$73,494	\$212	\$54.4
2019	1,999,383	-1,508	1,517,144	664.3	6,410	\$55.2	\$295.0	\$76,110	\$200	\$55.8
2020	2,015,497	-1,403	1,520,877	670.4	6,482	\$57.3	\$318.4	\$78,555	\$195	\$57.3

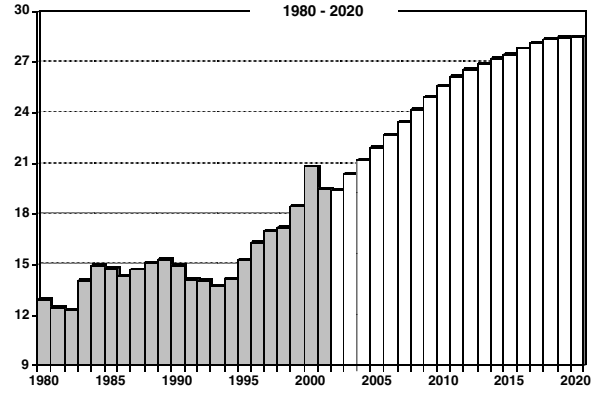


Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
836	4.5	28.7	0.1	231.2	24.0	166.1	28.7	265.3	87.8
885	5.1	32.7	0.1	245.9	25.4	174.6	30.0	283.9	87.4
932	5.1	37.3	0.1	258.2	27.2	182.7	30.6	301.8	88.5
961	5.2	41.7	0.1	261.3	28.3	186.4	31.8	317.8	88.9
977	5.3	45.5	0.1	250.7	28.3	190.0	32.3	332.9	91.4
1,035	5.0	49.0	0.2	261.9	29.4	196.4	32.3	366.4	94.5
1,021	4.5	49.0	0.2	254.0	30.2	192.8	33.4	362.3	94.6
1,015	4.6	47.8	0.2	257.7	30.6	196.0	33.4	346.9	97.7
1,034	4.7	47.2	0.2	258.9	31.1	198.9	33.5	360.4	99.4
1,050	4.7	46.6	0.2	260.1	31.7	201.6	33.7	370.2	101.2
1,064	4.7	45.9	0.2	262.9	32.2	204.1	34.1	376.9	103.1
1,077	4.6	45.2	0.1	265.3	32.7	206.4	34.4	383.6	105.0
1,092	4.6	44.4	0.1	267.1	33.3	208.6	34.7	392.0	106.9
1,107	4.7	43.6	0.1	268.7	33.8	210.7	35.1	401.7	108.7
1,123	4.7	43.0	0.1	270.4	34.4	212.6	35.6	411.8	110.5
1,138	4.7	42.4	0.1	271.6	34.9	214.5	36.1	421.3	112.3
1,153	4.7	41.9	0.1	272.6	35.5	216.2	36.5	431.3	113.9
1,166	4.6	41.2	0.1	272.8	36.0	217.9	37.0	440.6	115.4
1,179	4.6	40.6	0.1	273.4	36.6	219.5	37.6	450.2	116.8
1,195	4.6	40.2	0.1	274.5	37.2	221.0	38.1	460.9	118.0
1,211	4.6	39.9	0.1	275.1	37.7	222.4	38.7	473.0	119.0
1,229	4.6	39.8	0.1	276.2	38.3	223.8	39.3	486.5	120.0
1,247	4.5	39.8	0.1	277.3	38.9	225.1	40.0	500.4	120.9
1,267	4.5	40.0	0.1	278.6	39.5	226.4	40.7	515.3	121.8
1,287	4.5	40.3	0.1	279.7	40.1	227.7	41.4	530.4	122.7
1,307	4.4	40.5	0.1	280.6	40.7	228.9	42.2	545.9	123.4

billions of
2001 dollars

Real Taxable Retail Sales

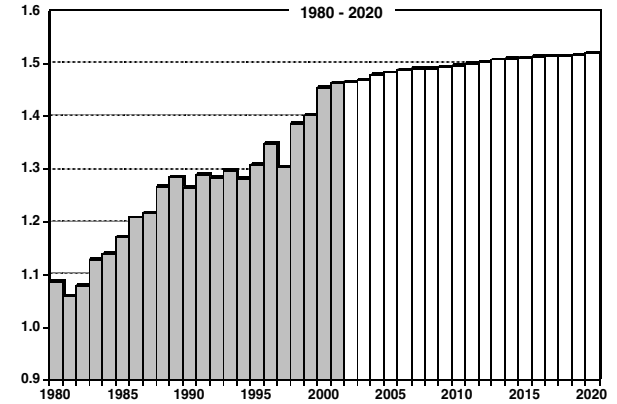
1980 - 2020



millions of
vehicles

Total Registered Vehicles

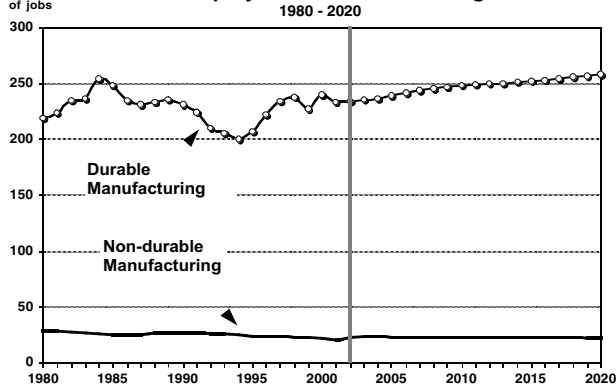
1980 - 2020



thousands
of jobs

Employment in Manufacturing

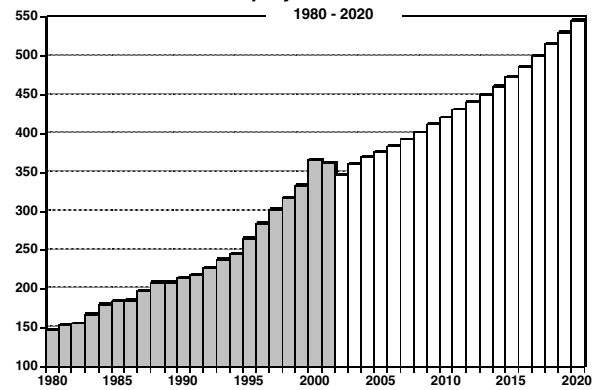
1980 - 2020



thousands
of jobs

Employment in Services

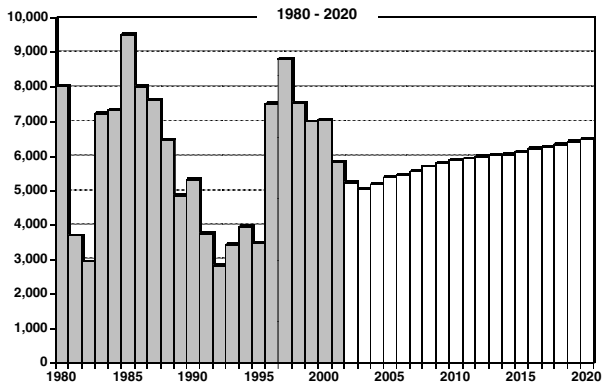
1980 - 2020



units
permitted

New Residential Units

1980 - 2020



2001 dollars
per worker

Real Earnings per Worker Santa Clara County and California

1980 - 2020

